GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

A.P. Port Department – Utilization of Port lands – Proposals for conversion of Annual license into long lease in respect of the firm M/s. Mahathi Project Pvt. Ltd. to an extent of Acs. 2.71 of Port land at Kakinada Port – Orders – Issued.

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ENERGY, INFRASTRUCTURE & INVESTMENT (PORTS.II) DEPARTMENT

G.O.MS.No. 7 Dated: 22-01-2019

Read the following :

1. G.O.Ms.No.02, I&I (P.I) Dept., dated 09-01-2009.
2. G.O.Ms.No.06, I&I (P.II) Dept., dated 29-09-2014.
3. G.O.Ms.No.10, I&I (P.II) Dept., dated 16-11-2015.
4. From the Director of Ports AP, Kakinada Letter No. DoP/D3/1792/2018, Dated 25-10-2018.
5. Minutes of the Meeting held in the chambers of the Spl. Chief Secretary to Govt, Revenue Dept, dated 27-12-2018.

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ORDER:

In the letter 4th read above, the Director of Ports, GoAP, Kakinada has submitted that M/s Mahathi Project Pvt. Ltd have requested for conversion of their allotted Acs.2.71 of Port land from Annual lease into long lease for establishing the storage facility for Bitumen/ agro products/palm stearin. Further the Director of Ports has submitted that an MoU was entered at Visakhapatnam by GOAP with their group firm (M/s Mahathi Arc Storage Terminal Pvt. Ltd.,) for development of marine infrastructure such as development of a petroleum solvents and marine Bio diesel producing facilities with storage of petroleum products at Kakinada involving an investment of approximately Rs.100crores which is expected to generate 450 new jobs. The present applicant firm M/s Mahathi Project Pvt. Ltd is a part of this group. Further, the firm has informed that they have proposed to have present project will touch over Rs.35 crores besides providing employment for minimum 70 persons plus 16 security personal and it also provides a tax collection to the Govt., as GST to minimum extent of Rs.22 crores. The firm has informed that in order to setup the scale of operations proposed, beside to obtain all the statutory approvals from various Government Organizations both from State and Central Government, project lease period at least 30 years is required. Of all those approvals, main approval is from APPCB and Explosive Department (PESO), APPCB needs the public hearing process as per the guidelines of MOEF. This process alone will cost them considerable finances and in the process of development of this project , permanent structures are need to be constructed and the present annual licence conditions are not allowed the permanent structures. To invest in the project, they need to approach banks, bank has raised objection stating that loan will not be granted for land on annual lease. And to obtain statutory approvals from various Government Organisations, land is required on long lease. The Director of Ports has further submitted that as per annual license terms and conditions, permanent structures could not be constructed in the allotted land. Hence, keeping in view the development activities that are being proposed for taken up by the firm, their request for conversion of their annual licenses into long lease may be considered.

2 . Orders were issued in G.O. 2nd read above, constituting a committee to scrutinising the applications of firms/organisations for allotment of Kakinada Port lands on long lease basis to maintain total transparency, with the following members;

1. Principal Secretary to Govt, Revenue Department.
2. Principal Secretary to Govt, Industries & Commerce Department.
3. Principal Secretary to Govt, Infrastructure & Investment Department.
4. Director of Ports, Kakinada.

3. In the reference 5th read above, the committee has recommended to consider the request of the firms i.e. M/s. Mahathi Projects Pvt. Ltd., for conversion of annual license into long lease of the said firm subject to abide by the terms & conditions stipulated in the G.O.3rd read above.

4. Government after careful examination of the matter hereby approve the proposal of the Director of Ports, AP, Kakinada for conversion of annual license into long lease in respect of M/s Mahathi Project Pvt. Ltd to an extent of Acs. 2.71 in survey no.309/3 & 312 for establishing the storage facility for Bitumen / Agro products/ palm stearin, subject to the following conditions and payment of lease rentals as per the orders issued in the GO 1st read above.

i. All the firms/individuals who were permitted for conversion of annual license into long lease should furnish undertaking that:

   a) They will abide to the enhancement of lease rentals and pay the lease charges as revised from time to time by the Government during the period of lease and the agreement is liable for cancellation, if they do not agree to pay the enhanced rent when so demanded and they will not approach any court of jurisdiction for relaxation of lease rentals in future what so ever fixed by the Government.
   b) They will abide to the terms and conditions of the Land policy for allotment of Govt. Port lands of A.P. Port Department as and when approved by the Government.

ii. The firms/individual shall enter into 30 years lease agreement with the Director of Ports in the prescribed proforma.
iii. The Director of Ports, GoAP, Kakinada is authorized to enter into 30 years lease agreement with the firms/individual under intimation to Government.
iv. The lease will be cancelled in case the land is not utilized for the purpose for which it is allotted within 3 years, or if the lease holder defaults on lease rental payments, or if the lease holder infringes with any lease provisions.

5. The Director of Ports, GoAP, Kakinada shall enter into long lease agreement with the firms/individuals, under intimation to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director of Ports, GoAP, Kakinada.
Copy to :
M/s. Mahathi Projects Pvt. Ltd., Hyderabad.
P.S. to Secretary to C.M.,
PS to Prl.Secreary, E, I&I Dept.,
Finance (FMU-I&I, EF&MA) Department.
Sf/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER